

AMENDED IN SENATE AUGUST 24, 2012

AMENDED IN SENATE JUNE 29, 2011

AMENDED IN ASSEMBLY MAY 5, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 485

Introduced by Assembly Member Ma
(Coauthor: Senator Wolk)

February 15, 2011

An act to amend ~~Sections 53395.1, 53395.3, 53395.10, 53395.11, 53395.12, 53395.14, 53395.19, 53395.20, 53396, 53397.1, and 53397.2 of, and to add Sections 53395.7.5 and 65460.2.5 to, the Government Code Section 748.5 of the Public Utilities Code, relating to local planning greenhouse gases.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 485, as amended, Ma. ~~Infrastructure financing.~~ *Greenhouse gases. The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum, technologically feasible, and cost-effective greenhouse gas emissions reductions. The act authorizes the state board to include use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the*

Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature.

Under the Public Utilities Act, the Public Utilities Commission has regulatory jurisdiction over public utilities, including electrical corporations. A violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Existing law requires the commission, except as provided, to require revenues, including any accrued interest, received by an electrical corporation as a result of the direct allocation of greenhouse gas allowances to electric utilities to be credited directly to the residential, small business, public transportation agency, and emissions-intensive trade-exposed retail customers of the electrical corporation.

This bill would also require the revenues to be credited to public transportation agency customers, and would define “public transportation agency” for that purpose.

~~(1) The Transit Village Development Planning Act of 1994 authorizes a city or county to create a transit village plan for a transit village development district that addresses specified characteristics. Existing law authorizes the legislative body of the city or county to adopt an infrastructure financing plan, create an infrastructure financing district, and issue bonds for which only the district is liable, to finance specified public facilities, upon voter approval.~~

~~This bill would eliminate the requirement of voter approval for the adoption of an infrastructure financing plan, the creation of an infrastructure financing district, and the issuance of bonds with respect to a transit village development district. The bill would require a city or county that uses infrastructure financing district bonds to finance its transit village development district to use at least 20% of the revenue from those bonds for the purposes of increasing, improving, and preserving the supply of lower and moderate-income housing; to require that those housing units remain available and occupied by moderate-, low-, very low, and extremely low income households for at least 55 years for rental units and 45 years for owner-occupied units; and to rehabilitate, develop, or construct for rental or sale to persons and families of low or moderate income an equal number of replacement dwellings to those removed or destroyed from the low- and moderate-income segment of the housing market as a result of the development of the district, as specified. The bill would set forth the findings and declarations of the Legislature, and the intent of the~~

~~Legislature that the development of transit village development districts be environmentally conscious and sustainable, and that related construction meet or exceed the requirements of the California Green Building Standards Code.~~

~~(2) Existing law prohibits the legislative body of a city or county from enacting a resolution proposing the formation of an infrastructure finance district and providing for the division of taxes of any affected taxing entity unless a resolution approving the plan has been adopted by the governing body of each affected taxing entity that is proposed to be subject to the division of taxes has been filed with the legislative body at or prior to the time of the hearing.~~

~~This bill would require, in the case of an affected taxing entity that is a special district that provides fire protection services and where the county board of supervisors is the governing authority or has appointed itself as the governing board of the district, that the proposed infrastructure financing district plan be adopted by a separate resolution approved by the special district's governing authority or board.~~

~~This bill would also eliminate the requirement of voter approval and authorize the legislative body to create the district, adopt the plan, and issue the bonds by resolutions.~~

~~(3) Existing law requires that an infrastructure financing plan created by a legislative body to include a date on which the infrastructure finance district will cease to exist, which shall not be more than 30 years from the date on which the ordinance forming the district is adopted.~~

~~This bill instead would specify that the date on which the infrastructure finance district would cease to exist would not be more than 40 years from the date on which the legislative body adopted the resolution adopting the infrastructure financing plan.~~

~~The bill would also impose additional reporting requirements after the adoption of an infrastructure financing plan.~~

Because a violation of a requirement of the commission is a crime. This bill would impose a State-mandated local program by changing the definition of a crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: ~~no~~ yes.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 748.5 of the Public Utilities Code is*
2 *amended to read:*

3 748.5. (a) Except as provided in subdivision (c), the
4 commission shall require revenues, including any accrued interest,
5 received by an electrical corporation as a result of the direct
6 allocation of greenhouse gas allowances to electric utilities pursuant
7 to subdivision (b) of Section 95890 of Title 17 of the California
8 Code of Regulations to be credited directly to the residential, small
9 business,—~~and~~ *public transportation agency, and*
10 emissions-intensive trade-exposed retail customers of the electrical
11 corporation. *As used in this subdivision, “public transportation*
12 *agency” means a public agency that provides public transportation*
13 *as defined in subparagraph (A) of paragraph (1) of subdivision*
14 *(f) of Section 1 of Article XIX A of the California Constitution.*

15 (b) Not later than January 1, 2013, the commission shall require
16 the adoption and implementation of a customer outreach plan for
17 each electrical corporation, including, but not limited to, such
18 measures as notices in bills and through media outlets, for purposes
19 of obtaining the maximum feasible public awareness of the
20 crediting of greenhouse gas allowance revenues. Costs associated
21 with the implementation of this plan are subject to recovery in
22 rates pursuant to Section 454.

23 (c) The commission may allocate up to 15 percent of the
24 revenues, including any accrued interest, received by an electrical
25 corporation as a result of the direct allocation of greenhouse gas
26 allowances to electrical distribution utilities pursuant to subdivision
27 (b) of Section 95890 of Title 17 of the California Code of
28 Regulations, for clean energy and energy efficiency projects
29 established pursuant to statute that are administered by the
30 electrical corporation and that are not otherwise funded by another
31 funding source.

32 *SEC. 2. No reimbursement is required by this act pursuant to*
33 *Section 6 of Article XIII B of the California Constitution because*
34 *the only costs that may be incurred by a local agency or school*
35 *district will be incurred because this act creates a new crime or*

1 *infraction, eliminates a crime or infraction, or changes the penalty*
2 *for a crime or infraction, within the meaning of Section 17556 of*
3 *the Government Code, or changes the definition of a crime within*
4 *the meaning of Section 6 of Article XIII B of the California*
5 *Constitution.*

6 SECTION 1. ~~(a) The Legislature finds and declares all of the~~
7 ~~following:~~

8 ~~(1) Federal, state, and local governments in California are~~
9 ~~investing in new and expanded transit systems in areas throughout~~
10 ~~the state, including Los Angeles County, the San Francisco Bay~~
11 ~~area, San Diego County, Santa Clara County, and Sacramento~~
12 ~~County.~~

13 ~~(2) This public investment in transit is unrivaled in the state's~~
14 ~~history and represents well over ten billion dollars~~
15 ~~(\$10,000,000,000) in planned investment alone.~~

16 ~~(3) Recent studies of transit ridership in California indicate that~~
17 ~~people who live within a one-half mile radius of transit stations~~
18 ~~utilize the transit system in far greater numbers than does the~~
19 ~~general public living elsewhere.~~

20 ~~(4) The planning strategy of clustering housing and commercial~~
21 ~~development around transit stations, and the creation of transit~~
22 ~~villages pursuant to that strategy, has gained momentum in recent~~
23 ~~years.~~

24 ~~(5) Only a few transit stations in California have any~~
25 ~~concentration of housing in close proximity to the station.~~

26 ~~(6) The greater use of public transit facilitated by the~~
27 ~~development of transit villages improves local street, road, and~~
28 ~~highway congestion by providing viable alternatives to automobile~~
29 ~~use.~~

30 ~~(7) The development of transit village development districts~~
31 ~~can improve environmental conditions by increasing the use of~~
32 ~~public transit, facilitating the creation of and improvements to~~
33 ~~walkable, mixed-use communities, and decreasing automobile use.~~

34 ~~(8) Transit-oriented development can improve local and regional~~
35 ~~economies by providing appropriate commercial and residential~~
36 ~~development opportunities, including investment in local transit~~
37 ~~village development, job creation through the construction of~~
38 ~~related facilities, and job creation through employment~~
39 ~~opportunities associated with related entertainment, retail,~~
40 ~~residential, and other mixed-use development.~~

1 ~~(9) Facilitating the use of infrastructure financing districts for~~
2 ~~transit village development could provide local jurisdictions with~~
3 ~~a cost-effective tool for pursuing transit-oriented development~~
4 ~~projects.~~

5 ~~(10) Tax-increment financing of transit village development~~
6 ~~districts will provide a new tool for green development to help~~
7 ~~achieve the sustainable communities strategy and regional~~
8 ~~transportation plan goals of Senate Bill 375 (Chapter 728 of the~~
9 ~~Statutes of 2008), as well as the greenhouse gas reduction goals~~
10 ~~of Assembly Bill 32 (Chapter 488 of the Statutes of 2006).~~

11 ~~(11) Tax-increment financing has been a useful tool for local~~
12 ~~government to fund redevelopment projects, and the need for the~~
13 ~~state to continue to provide local governments with revenue~~
14 ~~generating infrastructure financing tools during difficult economic~~
15 ~~times. Local governments will benefit greatly from the expanded~~
16 ~~use of infrastructure financing districts for the delivery of~~
17 ~~transit-oriented development and related low-income housing.~~

18 ~~(b) It is the intent of the Legislature that the development of~~
19 ~~transit village development districts throughout the state be~~
20 ~~environmentally conscious and sustainable, and that related~~
21 ~~construction meet or exceed the requirements of the California~~
22 ~~Green Building Standards Code, Part 11 of Title 24 of the~~
23 ~~California Code of Regulations, or its successor code.~~

24 ~~SEC. 2. Section 53395.1 of the Government Code is amended~~
25 ~~to read:~~

26 ~~53395.1. Unless the context otherwise requires, the following~~
27 ~~definitions shall govern the construction of this chapter:~~

28 ~~(a) “Affected taxing entity” means any governmental taxing~~
29 ~~agency that levied or had levied on its behalf a property tax on all~~
30 ~~or a portion of the property located in the proposed district in the~~
31 ~~fiscal year prior to the designation of the district, but not including~~
32 ~~any county office of education, school district, or community~~
33 ~~college district.~~

34 ~~(b) “City” means a city, a county, or a city and county.~~

35 ~~(c) “Debt” means any binding obligation to repay a sum of~~
36 ~~money, including obligations in the form of bonds, certificates of~~
37 ~~participation, long-term leases, loans from government agencies,~~
38 ~~or loans from banks, other financial institutions, private businesses,~~
39 ~~or individuals.~~

1 ~~(d) “Designated official” means the city engineer or other~~
2 ~~appropriate official designated pursuant to Section 53395.13.~~

3 ~~(e) (1) “District” means an infrastructure financing district.~~

4 ~~(2) An infrastructure financing district is a “district” within the~~
5 ~~meaning of Section 1 of Article XIII A of the California~~
6 ~~Constitution.~~

7 ~~(f) “Infrastructure financing district” means a legally constituted~~
8 ~~governmental entity established pursuant to this chapter for the~~
9 ~~sole purpose of financing public facilities.~~

10 ~~(g) “Landowner” or “owner of land” means any person shown~~
11 ~~as the owner of land on the last equalized assessment roll or~~
12 ~~otherwise known to be the owner of the land by the legislative~~
13 ~~body. The legislative body has no obligation to obtain other~~
14 ~~information as to the ownership of land, and its determination of~~
15 ~~ownership shall be final and conclusive for the purposes of this~~
16 ~~chapter. A public agency is not a landowner or owner of land for~~
17 ~~purposes of this chapter, unless the public agency owns all of the~~
18 ~~land to be included within the proposed district.~~

19 ~~(h) “Legislative body” means the city council or board of~~
20 ~~supervisors.~~

21 ~~(i) “Transit facility” includes, but is not limited to, any publicly~~
22 ~~owned facility and amenity necessary to implement a transit village~~
23 ~~plan adopted pursuant to Article 8.5 (commencing with Section~~
24 ~~65460) of Chapter 3 of Division 1 of Title 7.~~

25 ~~SEC. 3. Section 53395.3 of the Government Code is amended~~
26 ~~to read:~~

27 ~~53395.3. (a) A district may finance (1) the purchase,~~
28 ~~construction, expansion, improvement, seismic retrofit, or~~
29 ~~rehabilitation of any real or other tangible property with an~~
30 ~~estimated useful life of 15 years or longer which satisfies the~~
31 ~~requirements of subdivision (b), (2) may finance planning and~~
32 ~~design work which is directly related to the purchase, construction,~~
33 ~~expansion, or rehabilitation of that property, and (3) the costs~~
34 ~~described in Sections 53395.5, and 53396.5. A district shall only~~
35 ~~finance the purchase of facilities for which construction has been~~
36 ~~completed, as determined by the legislative body. The facilities~~
37 ~~need not be physically located within the boundaries of the district.~~
38 ~~A district may not finance routine maintenance, repair work, or~~
39 ~~the costs of ongoing operation or providing services of any kind.~~

1 A district shall not compensate the members of the legislative body
2 of the city for any activities undertaken pursuant to this chapter.

3 ~~(b) The district shall finance only public capital facilities~~
4 ~~including, but not limited to, all of the following:~~

5 ~~(1) Highways, interchanges, ramps and bridges, arterial streets,~~
6 ~~parking facilities, and transit facilities.~~

7 ~~(2) Sewage treatment and water reclamation plants and~~
8 ~~interceptor pipes.~~

9 ~~(3) Facilities for the collection and treatment of water for urban~~
10 ~~uses.~~

11 ~~(4) Flood control levees and dams, retention basins, and drainage~~
12 ~~channels.~~

13 ~~(5) Child care facilities.~~

14 ~~(6) Libraries.~~

15 ~~(7) Parks, recreational facilities, and open space.~~

16 ~~(8) Facilities for the transfer and disposal of solid waste,~~
17 ~~including transfer stations and vehicles.~~

18 ~~(c) Any district which constructs dwelling units shall set aside~~
19 ~~not less than 20 percent of those units to increase and improve the~~
20 ~~community's supply of low- and moderate-income housing~~
21 ~~available at an affordable housing cost, as defined by Section~~
22 ~~50052.5 of the Health and Safety Code, to persons and families of~~
23 ~~low- and moderate-income, as defined in Section 50093 of the~~
24 ~~Health and Safety Code.~~

25 ~~SEC. 4. Section 53395.7.5 is added to the Government Code,~~
26 ~~to read:~~

27 ~~53395.7.5. With respect to an infrastructure financing district~~
28 ~~proposed to implement a transit village plan adopted pursuant to~~
29 ~~Article 8.5 (commencing with Section 65460) of Chapter 3 of~~
30 ~~Division 1 of Title 7, an election is not required to form an~~
31 ~~infrastructure financing district, adopt an infrastructure financing~~
32 ~~plan, or issue bonds pursuant to this chapter. Any other provision~~
33 ~~of this chapter applies to the formation of an infrastructure~~
34 ~~financing district and the adoption of an infrastructure financing~~
35 ~~plan.~~

36 ~~SEC. 5. Section 53395.10 of the Government Code is amended~~
37 ~~to read:~~

38 ~~53395.10. A legislative body of a city may designate one or~~
39 ~~more proposed infrastructure financing districts pursuant to this~~
40 ~~chapter. Proceedings for the establishment of a district shall be~~

1 instituted by the adoption of a resolution of intention to establish
2 the proposed district and shall do all of the following:

3 (a) ~~State that an infrastructure financing district is proposed to~~
4 ~~be established under the terms of this chapter and describe the~~
5 ~~boundaries of the proposed district, which may be accomplished~~
6 ~~by reference to a map on file in the office of the clerk of the city.~~

7 (b) ~~State the type of public facilities proposed to be financed~~
8 ~~by the district. The district may only finance public facilities~~
9 ~~authorized by Section 53395.3.~~

10 (c) ~~State the need for the district and the goals the district~~
11 ~~proposes to achieve by financing public facilities.~~

12 (d) ~~State that incremental property tax revenue from the city~~
13 ~~and some or all affected taxing entities within the district may be~~
14 ~~used to finance these public facilities.~~

15 (e) ~~Fix a time and place for a public hearing on the proposal.~~

16 SEC. 6. ~~Section 53395.11 of the Government Code is amended~~
17 ~~to read:~~

18 ~~53395.11. The legislative body shall direct the clerk to mail a~~
19 ~~copy of the resolution of intention to create the district to each~~
20 ~~owner of land within the district and to each affected taxing entity.~~

21 SEC. 7. ~~Section 53395.12 of the Government Code is amended~~
22 ~~to read:~~

23 ~~53395.12. The legislative body shall direct the clerk to post a~~
24 ~~copy of the resolution of intention to create the district in an easily~~
25 ~~identifiable and accessible location on the legislative body's~~
26 ~~Internet Web site.~~

27 SEC. 8. ~~Section 53395.14 of the Government Code is amended~~
28 ~~to read:~~

29 ~~53395.14. After receipt of a copy of the resolution of intention~~
30 ~~to establish a district, the official designated pursuant to Section~~
31 ~~53395.13 shall prepare a proposed infrastructure financing plan.~~
32 ~~The infrastructure financing plan shall be consistent with the~~
33 ~~general plan of the city within which the district is located and~~
34 ~~shall include all of the following:~~

35 (a) ~~A map and legal description of the proposed district, which~~
36 ~~may include all or a portion of the district designated by the~~
37 ~~legislative body in its resolution of intention.~~

38 (b) ~~A description of the public facilities required to serve the~~
39 ~~development proposed in the area of the district including those~~
40 ~~to be provided by the private sector, those to be provided by~~

1 governmental entities without assistance under this chapter, those
2 public improvements and facilities to be financed with assistance
3 from the proposed district, and those to be provided jointly. The
4 description shall include the proposed location, timing, and costs
5 of the public improvements and facilities.

6 (e) A finding that the public facilities provide significant benefits
7 to an area larger than the area of the district.

8 (d) A financing section, which shall contain all of the following
9 information:

10 (1) A specification of the maximum portion of the incremental
11 tax revenue of the city and of each affected taxing entity proposed
12 to be committed to the district for each year during which the
13 district will receive incremental tax revenue. The portion need not
14 be the same for all affected taxing entities. The portion may change
15 over time.

16 (2) A projection of the amount of tax revenues expected to be
17 received by the district in each year during which the district will
18 receive tax revenues, including an estimate of the amount of tax
19 revenues attributable to each affected taxing entity for each year.

20 (3) A plan for financing the public facilities to be assisted by
21 the district, including a detailed description of any intention to
22 incur debt.

23 (4) A limit on the total number of dollars of taxes which may
24 be allocated to the district pursuant to the plan.

25 (5) A date on which the district will cease to exist, by which
26 time all tax allocation to the district will end. The date shall not
27 be more than 40 years from the date on which the ordinance
28 forming the district is adopted pursuant to Section 53395.23.

29 (6) An analysis of the costs to the city of providing facilities
30 and services to the area of the district while the area is being
31 developed and after the area is developed. The plan shall also
32 include an analysis of the tax, fee, charge, and other revenues
33 expected to be received by the city as a result of expected
34 development in the area of the district.

35 (7) An analysis of the projected fiscal impact of the district and
36 the associated development upon each affected taxing entity.

37 (e) If any dwelling units occupied by persons or families of low
38 or moderate income are proposed to be removed or destroyed in
39 the course of private development or public works construction
40 within the area of the district, a plan providing for replacement of

1 those units and relocation of those persons or families consistent
2 with the requirements of Section 53395.5.

3 (f) The goals the district proposes to achieve by financing public
4 facilities.

5 SEC. 9. Section 53395.19 of the Government Code is amended
6 to read:

7 53395.19. (a) The legislative body shall not enact a resolution
8 proposing formation of a district and providing for the division of
9 taxes of any affected taxing entity pursuant to Article 3
10 (commencing with Section 53396) unless a resolution approving
11 the plan has been adopted by the governing body of each affected
12 taxing entity which is proposed to be subject to division of taxes
13 pursuant to Article 3 (commencing with Section 53396) has been
14 filed with the legislative body at or prior to the time of the hearing.

15 (b) In the case of an affected taxing entity that is a special district
16 that provides fire protection services and where the county board
17 of supervisors is the governing authority or has appointed itself as
18 the governing board of the district, the plan shall be adopted by a
19 separate resolution approved by the district's governing authority
20 or governing board.

21 (c) Nothing in this section shall be construed to prevent the
22 legislative body from amending its infrastructure financing plan
23 and adopting a resolution proposing formation of the infrastructure
24 financing district without allocation of the tax revenues of any
25 affected taxing entity which has not approved the infrastructure
26 financing plan by resolution of the governing body of the affected
27 taxing entity.

28 SEC. 10. Section 53395.20 of the Government Code is amended
29 to read:

30 53395.20. (a) At the conclusion of the hearing required by
31 Section 53395.17, the legislative body may adopt a resolution
32 adopting the infrastructure financing plan, as modified, and
33 approving the formation of the infrastructure financing district in
34 a manner consistent with Section 53395.19, or it may abandon the
35 proceedings.

36 (b) No later than June 30 of each year after the adoption of the
37 infrastructure financing plan, the legislative body shall direct the
38 clerk to mail an annual report to each owner of land within the
39 district and each affected taxing entity. The legislative body shall
40 direct the clerk to post this annual report in an easily identifiable

1 and accessible location on the legislative body's Internet Web site.

2 The annual report shall contain all of the following:

3 (1) A summary of the district's expenditures.

4 (2) A description of the progress made towards the district's
5 adopted goals.

6 (3) An assessment of the status regarding completion of the
7 district's public works projects.

8 (c) If the district fails to provide the annual report required by
9 subdivision (b), the district shall not spend any funds to construct
10 public works projects until the annual report is submitted.

11 (d) If the district fails to produce evidence of progress made
12 towards achieving its adopted goals for five consecutive years, the
13 district shall not spend any funds to construct any new public works
14 projects; provided, however, the district may complete any public
15 works projects that it had started. Any excess property tax
16 increment revenues that had been allocated for new public works
17 projects shall be reallocated to the affected taxing entities.

18 SEC. 11. Section 53396 of the Government Code is amended
19 to read:

20 53396. Any infrastructure financing plan may contain a
21 provision that taxes, if any, levied upon taxable property in the
22 area included within the infrastructure financing district each year
23 by or for the benefit of the State of California, or any affected
24 taxing entity after the effective date of the ordinance adopted
25 pursuant to Section 53395.23 to create the district, unless the
26 district implements a transit village plan pursuant to Section
27 53395.75, shall be divided as follows:

28 (a) That portion of the taxes which would be produced by the
29 rate upon which the tax is levied each year by or for each of the
30 affected taxing entities upon the total sum of the assessed value
31 of the taxable property in the district as shown upon the assessment
32 roll used in connection with the taxation of the property by the
33 affected taxing entity, last equalized prior to the effective date of
34 the ordinance adopted pursuant to Section 53395.23 to create the
35 district, shall be allocated to, and when collected shall be paid to,
36 the respective affected taxing entities as taxes by or for the affected
37 taxing entities on all other property are paid.

38 (b) That portion of the levied taxes each year specified in the
39 adopted infrastructure financing plan for the city and each affected
40 taxing entity which has agreed to participate pursuant to Section

1 53395.19 in excess of the amount specified in subdivision (a) shall
2 be allocated to, and when collected shall be paid into a special
3 fund of, the district for all lawful purposes of the district. Unless
4 and until the total assessed valuation of the taxable property in a
5 district exceeds the total assessed value of the taxable property in
6 the district as shown by the last equalized assessment roll referred
7 to in subdivision (a), all of the taxes levied and collected upon the
8 taxable property in the district shall be paid to the respective
9 affected taxing entities. When the district ceases to exist pursuant
10 to the adopted infrastructure financing plan, all moneys thereafter
11 received from taxes upon the taxable property in the district shall
12 be paid to the respective affected taxing entities as taxes on all
13 other property are paid.

14 SEC. 12. Section 53397.1 of the Government Code is amended
15 to read:

16 53397.1. The legislative body may, by majority vote, initiate
17 proceedings to issue bonds pursuant to this chapter by adopting a
18 resolution.

19 SEC. 13. Section 53397.2 of the Government Code is amended
20 to read:

21 53397.2. The resolution adopted pursuant to Section 53397.1
22 shall contain all of the following information:

23 (a) A description of the facilities to be financed with the
24 proceeds of the bond issue.

25 (b) The estimated cost of the facilities, the estimated cost of
26 preparing and issuing the bonds, and the principal amount of the
27 bond issuance.

28 (c) The maximum interest rate and discount on the proposed
29 bond issuance.

30 (d) A determination of the amount of tax revenue available or
31 estimated to be available, for the payment of the principal of, and
32 interest on, the bonds.

33 (e) A finding that the amount necessary to pay the principal of,
34 and interest on, the bond issuance will be less than, or equal to,
35 the amount determined pursuant to subdivision (d).

36 (f) The issuance of the bonds in one or more series.

37 (g) The date the bonds will bear.

38 (h) The denomination of the bonds.

39 (i) The form of the bonds.

40 (j) The manner and execution of the bonds.

1 ~~(k) The medium of payment in which the bonds are payable.~~

2 ~~(l) The place or manner of payment and any requirements for~~
3 ~~registration of the bonds.~~

4 ~~(m) The terms or call of redemption, with or without premium.~~

5 SEC. 11. Section 65460.2.5 is added to the Government Code,
6 to read:

7 65460.2.5. If a city, county, or city and county finances a
8 district that implements a transit village plan adopted pursuant to
9 Article 8.5 (commencing with Section 65460) of Chapter 3 of
10 Division 1 of Title 7, the city, county, or city and county shall do
11 all of the following:

12 ~~(a) Use at least 20 percent of all revenues derived from the~~
13 ~~property tax increment under Chapter 2.8 (commencing with~~
14 ~~Section 53395) of Part 1 of Division 2 of Title 5 for the purposes~~
15 ~~of increasing, improving, and preserving the supply of lower and~~
16 ~~moderate-income housing available in the district at an affordable~~
17 ~~housing cost, as defined in Section 50052.5 of the Health and~~
18 ~~Safety Code, and occupied by persons and families of low or~~
19 ~~moderate income, as defined in Section 50093 of the Health and~~
20 ~~Safety Code, lower income households, as defined in Section~~
21 ~~50079.5 of the Health and Safety Code, very low income~~
22 ~~households, as defined in Section 50105 of the Health and Safety~~
23 ~~Code, and extremely low income households, as defined in Section~~
24 ~~50106 of the Health and Safety Code. The amount of very low,~~
25 ~~low- and moderate-income housing shall be in compliance with~~
26 ~~the Community Redevelopment Law (Part 1 (commencing with~~
27 ~~Section 33000) of Division 24 of the Health and Safety Code) and~~
28 ~~any adopted policies of the city, county, or city and county that~~
29 ~~adopted the transit village plan.~~

30 ~~(b) Require that housing units described in subdivision (a)~~
31 ~~remain available at affordable housing cost to, and occupied by,~~
32 ~~persons and families of low or moderate income and very low~~
33 ~~income and extremely low income households for the longest~~
34 ~~feasible time, but for not less than 55 years for rental units and 45~~
35 ~~years for owner-occupied units. The covenants or restrictions~~
36 ~~implementing this requirement shall be in compliance with~~
37 ~~subdivision (f) of Section 33334.3 of the Health and Safety Code.~~

38 ~~(c) Rehabilitate, develop, or construct, or cause to be~~
39 ~~rehabilitated, developed, or constructed for rental or sale to persons~~
40 ~~or families of low or moderate income an equal number of~~

1 replacement dwelling units that have an equal or greater number
2 of bedrooms as the destroyed or removed units, at affordable
3 housing costs within the district, and within four years after the
4 destruction or removal, whenever dwelling units housing persons
5 or families of low or moderate income are destroyed or removed
6 from the low- and moderate-income housing market as part of the
7 development of a district that is subject to a written agreement
8 with the city, county, or city and county, or when financial
9 assistance has been provided by the city, county, or city and county.
10 The replacement dwelling units shall be available at affordable
11 housing cost to, and occupied by, persons and families in the same
12 or a lower income category as the persons and families displaced
13 from those destroyed or removed units.

14 (d) Include in the transit village plan both of the following:

15 (1) As one of the five demonstrable public benefits required by
16 subdivision (f) of Section 65460.2, either an increased stock of
17 affordable housing or live-travel options for transit-needy groups.

18 (2) Provisions to implement subdivisions (a) and (b) and
19 paragraph (1).